

19 March 1976

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Morale Within the Agency

1. Morale is so-so in those elements of the Agency that produce finished intelligence. Several factors are heavy contributors to this condition, and what happens with these will determine whether morale improves or deteriorates.

2. The use of intelligence products Within the Government and in the press there has been wide endorsement of the continuing need for CIA analysis. While there have been references to failures--some real, others imagined--the general view is that both the CIA work and the people performing it are of high caliber. CIA is making major, sometimes unique, contributions to the understanding and maintenance of control of a number of issues of critical importance to American society. Among these are

- Food and energy production and distribution
- Discovery, exploitation, and utilization of natural resources
- Development and deployment of military weapon systems
- The monitoring of arms control agreements
- International trade and finance
- The shifting of international political alignments
- The development and distribution of new technologies.

The results of CIA analysis can only be useful and meaningful if they are regularly put into the hands of decisionmakers. This means selective but extensive distribution not just within the

Executive and Legislative Branches, but also periodic dissemination to the public. Wide dissemination entails risks, but much can be done to reduce them:

- a. In general, CIA reports are not overclassified. Too often, however, they contain sensitive information not germane to the main thesis and/or make unnecessary reference to data sources. In many instances the source references are included at the request of other organizations. Alternative means of satisfying the needs of these organizations should be used more widely.
- b. There are numerous cases in which Government officials, in providing the press with information that rightly should go to the public, have given away details of no importance to the understanding of the issues but of great value to those bent on identifying data sources. The Intelligence Community should provide a mechanism through which officials planning to make public disclosure can obtain information on the risks the disclosure places on collection programs and exploitation techniques.
- c. There is a need for laws that will permit meaningful punishment of individuals found guilty of unlawful and unauthorized dissemination of intelligence or intelligence-derived information.

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3. Congressional activity The Intelligence Community has had to endure the liabilities associated with the public disclosure of its misdeeds but has been denied most of the benefits harvestable from the mess. The Congressional investigations have unearthed many legal ambiguities and gaps that can and should be closed with new legislation. Some Agency employees are concerned that Congress does not have the stomach for the task and that the Administration will not force the issue. Without legislation, many of the problems raised either will have to be resolved through the promulgation of Executive Orders or will have to be swept back under the rug, and the Intelligence Community will continue to be vulnerable to allegations that it is acting illegally and irresponsibly.

4. Personnel management It is impossible for first-rate people to be content with second-rate management of their development and utilization.

5. Collection and exploitation Leaks in the press have had devastating effects on a number of important collection programs without yielding offsets in the form of better public understanding and support of intelligence or improved appreciation of the issues intelligence is attempting to address. Nevertheless, technical and human collection is providing more high quality data than ever before. There are severe problems, however, particularly in the technical intelligence collection effort. There is wide belief that the funds

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being made available to the community are adequate to satisfy minimum needs. Unfortunately, some of the decision-making on the allocation of funds has been depressing and disappointing. Management has responded to budget squeezes by spreading reductions over many programs rather than by fully supporting the most promising and important ones and terminating the rest. Consequently, programs have been stretched and cut to points where relatively small budget reductions are leading

- to disproportionately large reductions in collection
- to delays in the development of technology that promises to yield further gains in the efficiency and effectiveness of collection
- and to significant risks of prolonged disruptions in collection from some of the most important programs.

6. Covert action and domestic activities These are the areas in which the assault on morale has been greatest and most prolonged. Several features bear pointing out:

a. The Congressional revelations made liars out of thousands of employees who time and again told their families and friends that the Agency did not engage in covert collection in the U. S. There is no way for these employees to provide convincing evidence that their assertions stemmed from honest ignorance.

b. The revelations have removed much of the competitive edge that CIA analysts has traditionally enjoyed in negotiating and coordinating sessions with representatives of other agencies.

c. They have uncovered covert action programs that even if successful yielded no realistic hope of providing lasting benefits to the U. S. Many analysts believe that had these programs been subjected to meaningful intra-Agency or inter-Agency evaluation, they would have been disapproved or abandoned, and knowledge of this on the part of the program sponsors was the reason why objective analysis was so seldom sought or permitted.

d. The money squandered away in non-productive and embarrassing activities could have been used to develop analytical techniques and to build data bases of unquestioned value to intelligence production.

e. Some of the activities showed a callous disrespect for the American political process. The sponsors believed it very important to engage in activities that in some cases were of questionable legality and in others were of unquestionable illegality. They eschewed working quietly to get the necessary legislation enacted and/or changed. Rather, they chose courses of action that could result in a net gain only if practically everybody could be kept in the dark for years on end. Whatever the prospects for such a course of action in the fifties and early sixties, it was way out of step with the realities of the seventies.

DDI/COMIREX

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